

Washington, D.C. - Congresswoman Melissa Bean (IL-08) was proud to join her colleagues in the House of Representatives Thursday, passing the Mortgage Reform and Anti-Predatory Lending Act of 2007, H.R. 3915.

Bean is an original cosponsor of the bill, which passed with strong bipartisan support by a margin of 291 to 127. H.R. 3915 was designed to preserve access to credit for those pursuing home ownership while ensuring necessary oversight and accountability in the mortgage industry.

On the House floor Thursday, Bean urged her colleagues to support H.R. 3915, emphasizing that it was one of the most important and balanced bills to come before Congress this year because Americans' homes are so central to their lives.

"Families save and sacrifice to come up with a down payment toward the most significant and personal investment they will ever make. They raise their families there, dream their American dreams, and they look forward to a retirement secured by the equity they have established," Bean said. "When house prices fall, when access to credit tightens, those dreams are threatened. And for some, dreams are destroyed by foreclosure."

The Mortgage Reform and Anti-Predatory Lending Act addresses many of the concerns held by families in Illinois' 8th District. Many local homeowners have told Congresswoman Bean that they are worried about making their monthly mortgage payments, while even more are concerned about being able to sell their homes in an uncertain market.

By including better consumer protections, simpler disclosures and greater market certainty — particularly in the secondary market — H.R. 3915 seeks to improve market conditions for all homeowners.

The legislation also includes provisions from a bill initially introduced by Congresswoman Bean to educate homeowners about negative amortization loans, which can increase the outstanding principal balance and reduce a borrower's equity in the home.

Bean's provisions call for mortgage originators to inform homebuyers if a loan includes negative amortization and require any first-time sub-prime borrower who chooses such a loan to receive credit counseling.

In addition, H.R. 3915 includes comprehensive measures to address problems in the housing market. This legislation will:

- Discourage riskier loan practices and offerings like negative amortization, deceptive teaser ARMs and excessive prepayment penalties.
- Set minimum underwriting standards for all mortgages.
- Enhance consumer protections for borrowers of "high cost loans" and for renters of foreclosed properties.
- Call for licensing and registration of all mortgage originators.

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